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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000109

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SUBJECT: CHAVEZ GOVERNMENT SEEKING BROAD LEGISLATIVE POWERS

REF: CARACAS 00062

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Classified By: POLITICAL COUNSELOR ROBERT DOWNES,  
REASON 1.4 (D)

¶1. (C) Summary. Per President Chavez' request at his January 10 inauguration (Reftel), the National Assembly is already preparing an enabling law that would give Chavez legal authority to issue executive decrees in ten substantive areas over the next 18 months. Chavez would assume broad powers to issue decrees without previous consultation related to the redistribution of wealth, participation in government, financial reform, military reform, and the redistricting of local governments, among other areas. These decrees would have the force of law. While opposition parties are voicing their concerns about the enabling law, they have no votes in the National Assembly and are largely resigned to Chavez' concentrating even more power in the executive. Former presidential candidate Manuel Rosales told the media that he intends to oppose Chavez' "despotic" redistricting plans, which could eliminate state and local public offices currently held by the opposition. The final version of the enabling law is on a fast track and may pass in the National Assembly as early as the week of January 22-26. End Summary.

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"Accentuating the Process of Transformation"  
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¶2. (SBU) The National Assembly's January 16 draft of an omnibus enabling law promises to "transform" government institutions to construct a state of "law and justice which guarantees the full participation of the Venezuelan people" and promotes "ethics" in public administration. The executive branch reportedly produced the NA document. The ten areas specifically mentioned in the bill are: institutional transformation, "popular participation" in government, anti-corruption measures, transforming the "hegemonic, capitalist economic paradigm," financial and tax reform, public security, science and technology, redistricting local governments, defense reform, and public infrastructure. The ideologically-loaded preambular language is more detailed than the vaguely worded operative paragraphs of the bill, which concede broad authorities to the executive.

¶3. (SBU) The National Assembly last passed an enabling law on November 13, 2000 for a period of one year. Unlike the vaguely-worded draft that the National Assembly is currently considering, the original omnibus enabling law was very detailed and made specific references to elements of existing

legislation that could be changed. Moreover, the original enabling law required the executive to issue an accompanying "Exposition of Purpose" for each decree and to inform a multi-party commission of the contents of each decree ten days before promulgation. The current draft enabling law imposes no such conditions on the executive branch, so presumably Chavez will simply issue his decree-laws without consultation or notice. Chavez still passed 49 wide-ranging laws (primarily economic in nature) affecting Venezuela's government, economic system, and infrastructure under the 2000-2001 enabling law. Public reaction to some of these laws led to a general strike in late 2001 and may have contributed to the April 2002 coup.

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Opposition With No Legislative Voice  
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14. (C) The 1999 Venezuelan Constitution requires three-fifths of the National Assembly to approve an enabling law. The opposition's boycott of the 2005 parliamentary elections has left them with no votes in the unicameral legislature, so fast-track approval of the enabling law is assured. Our opposition and civil society contacts tell us that they are neither surprised by Chavez' efforts to assume legislative powers nor do they feel they are in a position to prevent the re-elected Venezuelan president from moving forward. The National Assembly's current timetable calls for moving the enabling bill through the legislature by January 23 for executive branch approval, without normal reviews at the committee level.

15. (SBU) Former presidential candidate Manuel Rosales announced on January 16 that he plans to develop a "mobilization strategy" starting on January 23 to oppose Chavez' intention to redistrict local governments. The opposition still holds a small number of elected offices at

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the state level (Rosales is one of two opposition governors) and municipal level, but Chavez' redistricting plan could potentially eliminate existing political space for the opposition. State and local elections are next slated in Venezuela in November 2008, absent changes from Chavez' upcoming decrees or constitutional amendment.

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Comment  
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16. (C) President Chavez is poised to assume what will be unprecedented, broad legislative authority -- even for him -- to issue decree-laws across a wide range of key areas of the Venezuelan government and economy. The vagueness of the National Assembly's draft enabling law is designed to give Chavez the maximum room for maneuver, but also probably reveals that Chavez' efforts to enact the "socialist" phase of his "Bolivarian revolution" is still very much a work in progress. By essentially by-passing a legislature that is 100 percent pro-Chavez, the Venezuelan president seems to be loudly proclaiming his intention to move forward with his "socialist" agenda as quickly as he can. He also appears to be reinforcing an unwillingness to engage in even a minimum of dialogue with other political actors, even with his own legislative ranks. As one commentator here noted recently, it seems that Chavez is annoyed by even having to explain himself to the convinced at this point.

BROWNFIELD